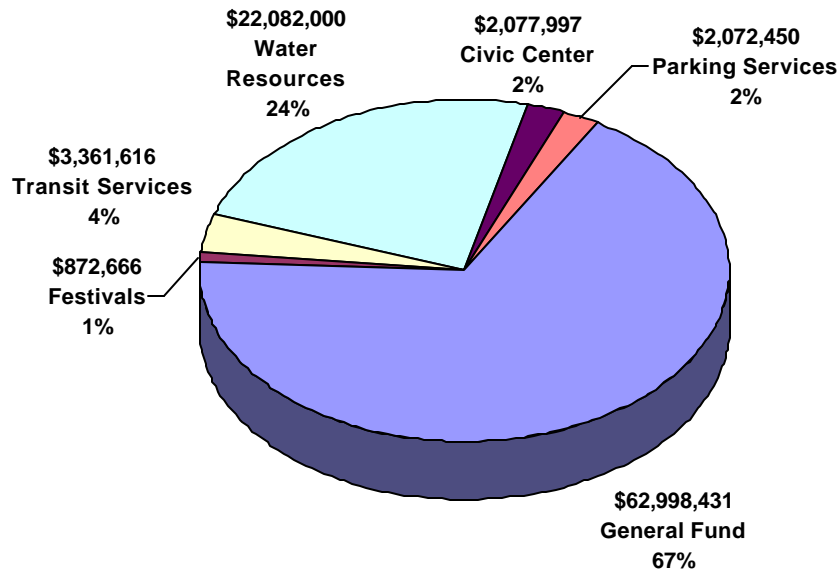


## FUND SUMMARY

<b><u>FUNDS</u></b>	<b>1999-00 Actual</b>	<b>2000-01 Actual</b>	<b>2001-02 Budget</b>	<b>2002-03 Adopted</b>
Service Areas				
<b><u>GENERAL FUND</u></b>				
Public Safety	23,230,636	23,537,283	24,715,073	<b>25,090,995</b>
Environment & Transportation	12,615,487	13,499,920	14,237,894	<b>12,970,215</b>
General Government	6,972,382	7,016,010	7,639,366	<b>7,664,131</b>
Culture & Recreation	7,198,226	7,237,704	7,141,497	<b>6,648,276</b>
Capital Reserve Funding	2,686,276	3,480,197	1,991,043	<b>1,633,504</b>
General Debt Service	3,897,306	3,725,948	4,778,985	<b>5,300,319</b>
Community Development	<u>3,354,981</u>	<u>3,842,928</u>	<u>3,874,454</u>	<b><u>3,690,991</u></b>
<b>Total General Fund</b>	59,955,294	62,339,990	64,378,312	<b>62,998,431</b>
<b><u>ENTERPRISE FUNDS</u></b>				
Environment & Transportation	21,877,208	23,002,884	27,628,429	<b>27,516,066</b>
Culture & Recreation	<u>2,244,149</u>	<u>2,190,512</u>	<u>3,902,198</u>	<b><u>2,950,663</u></b>
<b>Total Enterprise Funds</b>	24,121,357	25,193,396	31,530,627	<b>30,466,729</b>
<b>TOTAL BUDGET</b>	84,076,651	87,533,386	95,908,939	<b>93,465,160</b>
<b>Less: Interfund Transactions</b>	(6,002,884)	(5,976,306)	(6,161,653)	<b>(5,735,837)</b>
<b>NET BUDGET</b>	<u>78,073,767</u>	<u>81,557,080</u>	<u>89,747,286</u>	<b><u>87,729,323</u></b>

### FY 2002-03 EXPENDITURES BY FUND TOTAL: \$93,465,160



## GENERAL FUND SUMMARY

### **Revenues:**

	<b>1999-00 Actual</b>	<b>2000-01 Actual</b>	<b>2001-02 Budget</b>	<b>2002-03 Adopted</b>
Property Taxes	25,739,820	27,961,573	28,820,963	<b>31,032,581</b>
Intergovernmental	13,029,952	13,759,847	13,530,372	<b>10,605,436</b>
Local Option Sales Tax	10,346,713	10,565,136	11,359,573	<b>10,828,473</b>
Other Taxes	54,765	230,261	251,140	<b>297,640</b>
Charges For Service	4,860,647	4,946,810	5,098,294	<b>5,326,501</b>
Licenses & Permits	4,133,138	4,672,644	4,292,050	<b>4,336,900</b>
Investment Earnings	868,530	763,388	810,000	<b>412,000</b>
Miscellaneous	167,092	148,972	165,920	<b>158,900</b>
 Subtotal	 59,200,657	 63,048,631	 64,328,312	 <b>62,998,431</b>
 Appropriated Fund Bal.	 --	 --	 50,000	 <b>0</b>
 <b>Total Revenues</b>	 59,200,657	 63,048,631	 64,378,312	 <b>62,998,431</b>

### **Appropriations:**

	<b>1999-00 Actual</b>	<b>2000-01 Actual</b>	<b>2001-02 Budget</b>	<b>2002-03 Adopted</b>
Police	11,921,973	12,104,973	12,766,058	<b>13,079,537</b>
Fire	10,924,901	11,137,274	11,708,143	<b>11,787,958</b>
Public Works	9,423,645	9,404,244	9,919,564	<b>9,116,460</b>
Capital Reserve Funding	2,686,276	3,480,197	1,991,043	<b>1,633,504</b>
Debt Service	3,897,306	3,725,948	4,778,985	<b>5,300,319</b>
Parks, Recreation & Cult. Affairs	6,169,946	6,334,961	5,965,687	<b>5,918,479</b>
Finance	3,988,299	4,007,782	4,362,491	<b>4,171,224</b>
Nondepartmental	1,447,694	1,484,240	1,571,895	<b>1,746,062</b>
Building Safety	1,598,464	1,643,498	1,783,350	<b>1,751,407</b>
General Administration	1,634,875	1,631,127	1,708,084	<b>1,563,171</b>
Engineering	1,322,124	1,529,277	1,683,865	<b>1,690,270</b>
Street & Sidewalk Maint.	800,000	1,400,000	1,400,000	<b>1,100,000</b>
Planning & Development	1,490,577	1,417,026	1,392,104	<b>1,288,584</b>
Transit Fund Transfer	898,738	995,419	1,063,485	<b>1,063,485</b>
Civic Center Subsidy	886,419	759,932	1,008,914	<b>667,901</b>
Human Resources	693,078	713,112	703,664	<b>620,070</b>
Housing Trust Fund Transfer	0	400,000	400,000	<b>500,000</b>
Parking Fund Subsidy	170,980	170,980	170,980	<b>0</b>
 <b>Total Appropriations</b>	 59,955,295	 62,339,990	 64,378,312	 <b>62,998,431</b>

## GENERAL FUND EXPENDITURES

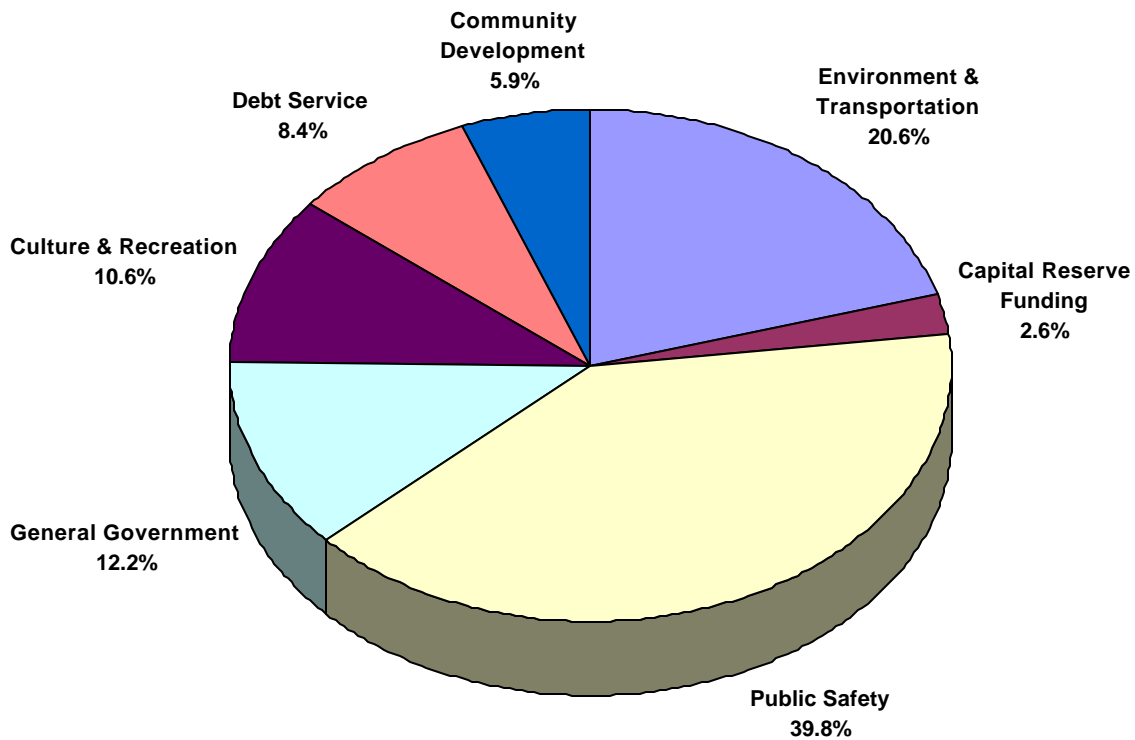
<b><u>FUNDS</u></b>	<b>1999-00</b>	<b>2000-01</b>	<b>2001-02</b>	<b>2002-03</b>
Service Areas	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Adopted</b>
<b><u>GENERAL FUND</u></b>				
Public Safety	23,230,636	23,537,283	24,715,073	<b>25,090,995</b>
Environment & Transportation	12,615,487	13,499,920	14,237,894	<b>12,970,215</b>
General Government	6,972,382	7,016,010	7,639,366	<b>7,664,131</b>
Culture & Recreation	7,198,226	7,237,704	7,141,497	<b>6,648,276</b>
Capital Reserve Funding	2,686,276	3,480,197	1,991,043	<b>1,633,504</b>
General Debt Service	3,897,306	3,725,948	4,778,985	<b>5,300,319</b>
Community Development	<u>3,354,981</u>	<u>3,842,928</u>	<u>3,874,454</u>	<b><u>3,690,991</u></b>
<b>Total General Fund</b>	59,955,294	62,339,990	64,378,312	<b>62,998,431</b>

## BUDGET HIGHLIGHTS

- The FY 2002-03 adopted budget includes general fund expenditures that are 2.1% less than the FY 2001-02 budget.
- Public Safety is the largest general fund service area, accounting for 40% of all general fund expenditures. FY 2002-03 Public Safety expenditures show a 1.5% increase compared to FY 2001-02. This increase includes \$120,000 to pay new animal shelter fees imposed by the County. The Public Safety area also includes \$72,000 to fund increases in the amounts paid to compensate rural fire departments for fire service and annexation contracts. These cost increases were partially offset through reductions in other departmental operating costs. In addition, the Fire Department was able to reduce its personnel count by 5 FTE positions through re-engineering and re-organization efforts.
- Environment & Transportation is the second largest service area in the general fund, representing 21% of the FY 2002-03 general fund budget. The budget for this service area shows an 8.9% decrease primarily due to the \$300,000 reduction in funding for street & sidewalk maintenance. Personnel and operating costs were also reduced in the Public Works and Engineering Departments. In addition, \$170,980 was saved by eliminating the general fund transfer to the parking services fund.
- The Community Development service area shows a 4.7% decrease as a result of personnel and operating cost reductions in the Planning & Development and Building Safety Departments, and a reduction in the amount allocated to outside agencies. The adopted budget does include a \$100,000 increase in the amount allocated to the Housing Trust Fund.
- The Culture & Recreation service area shows a 6.9% decrease as a result of personnel and operating cost reductions in the Parks, Recreation & Cultural Affairs Department and a reduction in the general fund transfer to the Civic Center.

# GENERAL FUND EXPENDITURES

## CITY OF ASHEVILLE FY 2002-03 GENERAL FUND EXPENDITURES BY SERVICE AREA TOTAL \$62,998,431

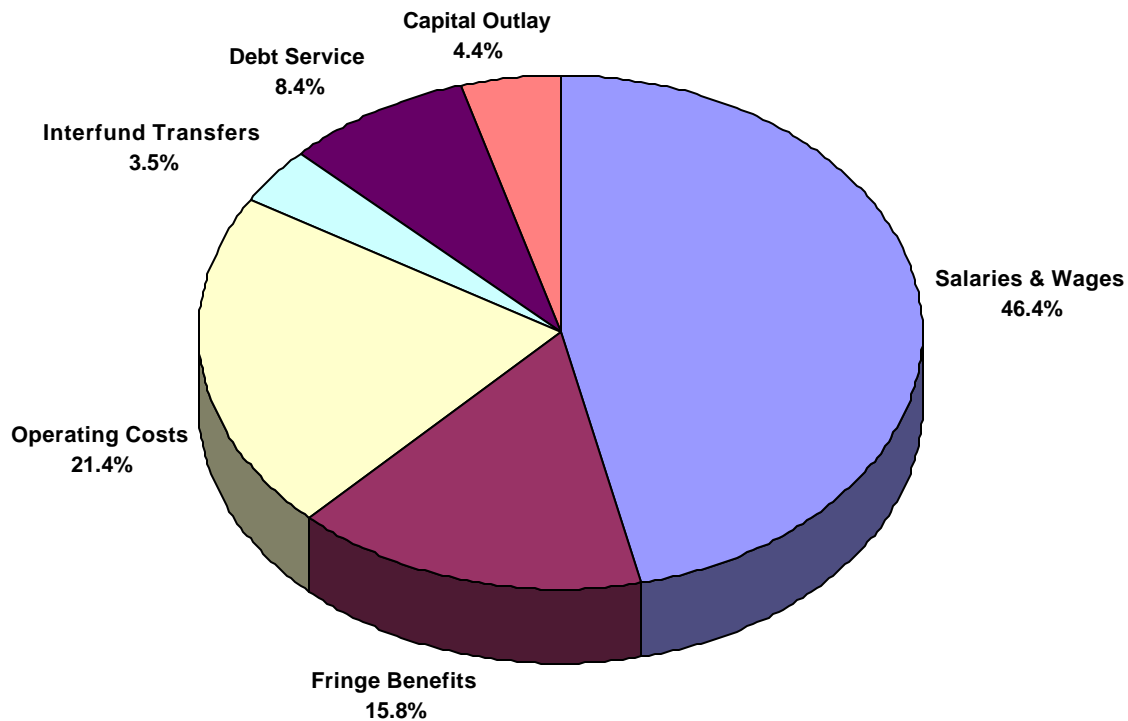


### Budget-to-Budget Expenditure Comparison

<u>Service Areas:</u>	<u>2001-02</u>	<u>2002-03</u>	<u>Change From Prior Year</u>	
	<u>Budget</u>	<u>Adopted</u>	<u>in \$</u>	<u>in %</u>
Environment & Transportation	14,237,894	12,970,215	(1,267,679)	-8.9%
Public Safety	24,715,073	25,090,995	375,922	1.5%
Culture & Recreation	7,141,497	6,648,276	(493,221)	-6.9%
General Government	7,639,366	7,664,131	24,765	0.3%
Capital Reserve Funding	1,991,043	1,633,504	(357,539)	-18.0%
Debt Service	4,778,985	5,300,319	521,334	10.9%
Community Development	<u>3,874,454</u>	<u>3,690,991</u>	<u>(183,463)</u>	<u>-4.7%</u>
<b>Total General Fund Expenditures</b>	<u>64,378,312</u>	<u>62,998,431</u>	<u>(1,379,881)</u>	<u>-2.1%</u>

# GENERAL FUND EXPENDITURES

## CITY OF ASHEVILLE FY 2002-03 GENERAL FUND EXPENDITURES BY CATEGORY TOTAL \$62,998,431



### Budget-to-Budget Expenditure Comparison

<u>Expense Category:</u>	<u>2001-02</u>	<u>2002-03</u>	<u>Change From Prior Year</u>	
	<u>Budget</u>	<u>Adopted</u>	<u>in \$</u>	<u>in %</u>
Salaries & Wages	29,142,072	29,237,521	95,449	0.3%
Fringe Benefits	10,233,615	9,958,239	(275,376)	-2.7%
Operating Costs	14,004,718	13,471,537	(533,181)	-3.8%
Interfund Transfers	2,643,379	2,231,386	(411,993)	-15.6%
Debt Service	4,778,985	5,300,319	521,334	10.9%
Capital Outlay	<u>3,575,543</u>	<u>2,799,429</u>	<u>(776,114)</u>	<u>-21.7%</u>
<b>Total General Fund Expenditures</b>	<u>64,378,312</u>	<u>62,998,431</u>	<u>(1,379,881)</u>	<u>-2.1%</u>

# GENERAL FUND EXPENDITURES

## GENERAL FUND EXPENDITURES BY EXPENSE CATEGORY

	<b>1999-00 Actual</b>	<b>2000-01 Actual</b>	<b>2001-02 Budget</b>	<b>2002-03 Adopted</b>
Salaries & Wages	27,084,471	28,016,308	29,142,072	<b>29,237,521</b>
Fringe Benefits	9,215,918	9,372,356	10,233,615	<b>9,958,239</b>
Operating Costs	13,745,529	13,661,267	14,004,718	<b>13,471,537</b>
Interfund Transfers	1,956,137	2,326,331	2,643,379	<b>2,231,386</b>
Debt Service	3,897,306	3,725,948	4,778,985	<b>5,300,319</b>
Capital Outlay	<u>4,055,934</u>	<u>5,237,780</u>	<u>3,575,543</u>	<u><b>2,799,429</b></u>
<b>TOTAL</b>	<u><b>59,955,295</b></u>	<u><b>62,339,990</b></u>	<u><b>64,378,312</b></u>	<u><b>62,998,431</b></u>

## BUDGET HIGHLIGHTS

- Personnel costs, including both salaries and wages and fringe benefits, show a decrease of 0.5% compared to FY 2001-02 and constitute 62.2% of the FY 2002-03 general fund budget. Personnel costs were reduced through the elimination of 40.14 FTE positions in the general fund. The budget includes a 3% cost of living increase for all employees.
- Operating costs are budgeted to decrease by 3.8% in FY 2002-03. This decrease is attributable to departmental re-engineering efforts and other measures to hold the line on operating cost increases.
- The FY 2002-03 budget includes \$5.3 million in debt service expenditures, an increase of 10.9% over the current fiscal year. This increase includes \$362,000 in new lease-purchase payments associated with the purchase of a fire ladder truck, automated garbage collection equipment, and the replacement of public safety radios.
- Capital outlay expenditures, which include transfers to the Capital Reserve Fund and the Street & Sidewalk Fund and all departmental small capital items, are budgeted to decrease by 21.7% in FY 2002-03. Included in this decrease are a \$300,000 reduction in the budget for street & sidewalk maintenance and a \$128,430 decrease in funding for parks & recreation capital projects.
- The chart below provides a detailed breakdown of each department's budget by expense category. The following pages provide information on general fund expenditures by department and division.

Department	Personnel Costs		Operating Costs		Capital Outlay		Total
General Administration	1,395,291	89%	167,880	11%	0	0%	1,563,171
Finance	2,666,883	64%	1,504,341	36%	0	0%	4,171,224
Police	11,394,136	87%	1,625,801	12%	59,600	0%	13,079,537
Fire	10,310,214	87%	1,477,744	13%	0	0%	11,787,958
Human Resources	539,067	87%	81,003	13%	0	0%	620,070
Planning & Development	1,113,947	86%	174,637	14%	0	0%	1,288,584
Building Safety	1,611,518	92%	139,889	8%	0	0%	1,751,407
Public Works	4,356,755	48%	4,757,205	52%	2,500	0%	9,116,460
Parks, Rec. & Cult. Affairs	4,488,679	76%	1,429,800	24%	0	0%	5,918,479
Engineering	1,299,270	77%	388,500	23%	2,500	0%	1,690,270
Nondepartmental	20,000	1%	1,724,737	99%	1,325	0%	1,746,062
Capital Res./Street & Side.					2,733,504	100%	2,733,504
Interfund Transfers							2,231,386
Debt Service							5,300,319
<b>TOTAL</b>	<b>39,195,760</b>	<b>62%</b>	<b>13,471,537</b>	<b>21%</b>	<b>2,799,429</b>	<b>4%</b>	<b>62,998,431</b>

# GENERAL FUND EXPENDITURES

<b><u>Department</u></b>	<b>1999-00</b>	<b>2000-01</b>	<b>2001-02</b>	<b>2002-03</b>
<b>Division</b>	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Adopted</b>
<b><u>Police</u></b>				
Patrol Bureau	7,124,082	6,914,052	7,498,757	7,636,621
Support Bureau	2,071,515	1,997,220	2,018,549	1,936,315
Criminal Investigation	1,700,319	1,976,577	2,121,931	2,241,632
Administration	1,026,057	1,217,124	1,126,821	962,827
Animal Control	0	0	0	302,142
Subtotal Police	11,921,973	12,104,973	12,766,058	13,079,537
<b><u>Fire</u></b>				
Emergency Response	9,038,741	9,588,995	9,590,569	9,474,840
Administration & Logistics	1,134,894	1,022,070	1,487,150	1,529,753
Fire Marshal's Office	369,076	403,555	502,128	645,435
Professional Standards	2,739	0	128,296	137,930
Investigations	57,593	5,377	0	0
Special Operations	321,858	117,277	0	0
Subtotal Fire	10,924,901	11,137,274	11,708,143	11,787,958
<b><u>Public Works</u></b>				
Sanitation	2,654,944	2,669,073	2,875,298	2,799,657
Street Maintenance	2,517,148	2,353,050	2,587,288	2,519,958
Street Lighting	1,247,002	1,267,336	1,292,000	1,300,000
Administration	1,354,169	1,291,822	1,118,326	823,253
Recycling	579,550	724,074	787,200	711,800
Stormwater Maintenance	530,204	626,762	700,555	705,202
Traffic Operations	540,628	472,127	558,897	256,590
Subtotal Public Works	9,423,645	9,404,244	9,919,564	9,116,460
<b><u>Parks, Recreation &amp; Cultural Affairs</u></b>				
Recreation Programs	1,844,386	1,784,903	1,657,763	1,671,481
Park Maintenance	1,466,395	1,474,560	1,552,868	1,715,023
Administration	645,785	672,996	745,265	513,699
After School Programs	549,379	526,309	531,310	492,128
Athletics	361,383	427,242	569,444	630,621
Building Maintenance	413,144	496,722	460,901	452,197
Cultural Affairs	333,919	413,425	150,742	120,544
City Hall Operations	214,955	243,076	134,465	156,221
Riverside Cemetery	160,960	166,893	162,929	166,565
Landscape Design	120,662	100,594	0	0
ADA/Contracts	58,978	28,241	0	0
Subtotal Parks & Recreation	6,169,946	6,334,961	5,965,687	5,918,479
<b><u>Finance</u></b>				
Information Services	1,741,347	1,614,531	1,844,862	1,875,722
Accounting	523,134	574,664	678,177	1,023,564
Customer Service	530,460	554,195	444,169	625,774
Administration	313,920	336,351	384,186	264,596
Purchasing	380,900	397,012	416,417	381,568
Collections	498,538	531,029	594,680	0
Subtotal Finance	3,988,299	4,007,782	4,362,491	4,171,224

# GENERAL FUND EXPENDITURES

<u><b>Department</b></u>	<b>1999-00</b>	<b>2000-01</b>	<b>2001-02</b>	<b>2002-03</b>
Division	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Adopted</b>
<u><b>Building Safety</b></u>				
Inspections	1,430,261	1,465,243	1,592,621	<b>1,552,561</b>
Development & Permitting	168,203	178,255	190,729	<b>198,846</b>
Subtotal Building Safety	1,598,464	1,643,498	1,783,350	<b>1,751,407</b>
<u><b>General Administration</b></u>				
Legal Services	475,172	427,917	510,962	<b>441,180</b>
City Manager	460,660	422,387	411,277	<b>416,154</b>
Community & Cable Affairs	189,080	272,129	211,985	<b>148,042</b>
Budget & Research	168,536	156,784	239,731	<b>240,856</b>
Governing Body	156,617	147,575	142,631	<b>127,657</b>
Economic Development	110,554	125,958	109,332	<b>104,937</b>
City Clerk	74,256	78,377	82,166	<b>84,345</b>
Subtotal General Admin.	1,634,875	1,631,127	1,708,084	<b>1,563,171</b>
<u><b>Planning &amp; Development</b></u>				
Planning Services	718,881	822,345	767,321	<b>692,163</b>
City Development	226,383	244,027	290,056	<b>260,054</b>
Code Enforcement	265,963	240,858	260,191	<b>264,161</b>
Historic Resources	81,549	99,509	74,536	<b>72,206</b>
Transportation Planning	195,984	10,287	0	<b>0</b>
Transit Planning	1,817	0	0	<b>0</b>
Subtotal Planning & Dev.	1,490,577	1,417,026	1,392,104	<b>1,288,584</b>
<u><b>Engineering</b></u>				
City Engineering	1,152,412	1,093,811	1,048,478	<b>1,046,225</b>
Transportation Services	169,712	435,466	635,387	<b>366,599</b>
Traffic Signal Maintenance	0	0	0	<b>277,446</b>
Subtotal Engineering	1,322,124	1,529,277	1,683,865	<b>1,690,270</b>
<u><b>Human Resources</b></u>				
Administration	427,052	445,058	427,071	<b>344,774</b>
City Employment	140,859	139,376	141,686	<b>140,323</b>
Employee Benefits	125,167	128,678	134,907	<b>134,973</b>
Subtotal Human Resources	693,078	713,112	703,664	<b>620,070</b>
<u><b>Other Appropriations</b></u>				
Debt Service	3,897,306	3,725,948	4,778,985	<b>5,300,319</b>
Capital Reserve Funding	2,686,276	3,480,197	1,991,043	<b>1,633,504</b>
Nondepartmental	1,447,694	1,484,240	1,571,895	<b>1,746,062</b>
Street & Sidewalk Fund Transfer	800,000	1,400,000	1,400,000	<b>1,100,000</b>
Transit Services Fund Transfer	898,738	995,419	1,063,485	<b>1,063,485</b>
Civic Center Fund Transfer	886,419	759,932	1,008,914	<b>667,901</b>
Housing Trust Fund Transfer	0	400,000	400,000	<b>500,000</b>
Parking Services Fund Transfer	170,980	170,980	170,980	<b>0</b>
Subtotal Other	10,787,413	12,416,716	12,385,302	<b>12,011,271</b>
<b>TOTAL APPROPRIATIONS</b>	<u><b>59,955,295</b></u>	<u><b>62,339,990</b></u>	<u><b>64,378,312</b></u>	<u><b>62,998,431</b></u>



## OUTSIDE AGENCY FUNDING

The City of Asheville provides funding to numerous outside agencies that are working in the community to improve the quality of life in the Asheville area. Funding is provided through a nondepartmental account in the City's general fund. Adopted outside agency funding for FY 2002-03 is as follows.

BUDGET SUMMARY	2001-02 Budget	2002-03 Adopted
<b>Expenditures:</b>		
<b>Outside Agencies:</b>		
Visitors' Center	100,000	0
Community Relations Council	63,000	60,000
Economic Development Commission	50,000	40,000
Asheville Area Arts Council	30,000	25,000
Mountain Center for Substance Abuse Prevention	20,000	0
RiverLink	18,000	0
Asheville/Buncombe Vision	15,000	11,500
YWCA	10,000	9,500
One Youth at a Time, Inc.	10,000	9,500
Project STEAM	5,000	5,000
The Health Adventure	5,000	5,000
Asheville Sister Cities	2,000	0
Kids Voting	1,000	1,000
Asheville-Buncombe Education Coalition	0	9,500
<b>Total</b>	<u>329,000</u>	<u>176,000</u>

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### BUDGET HIGHLIGHTS

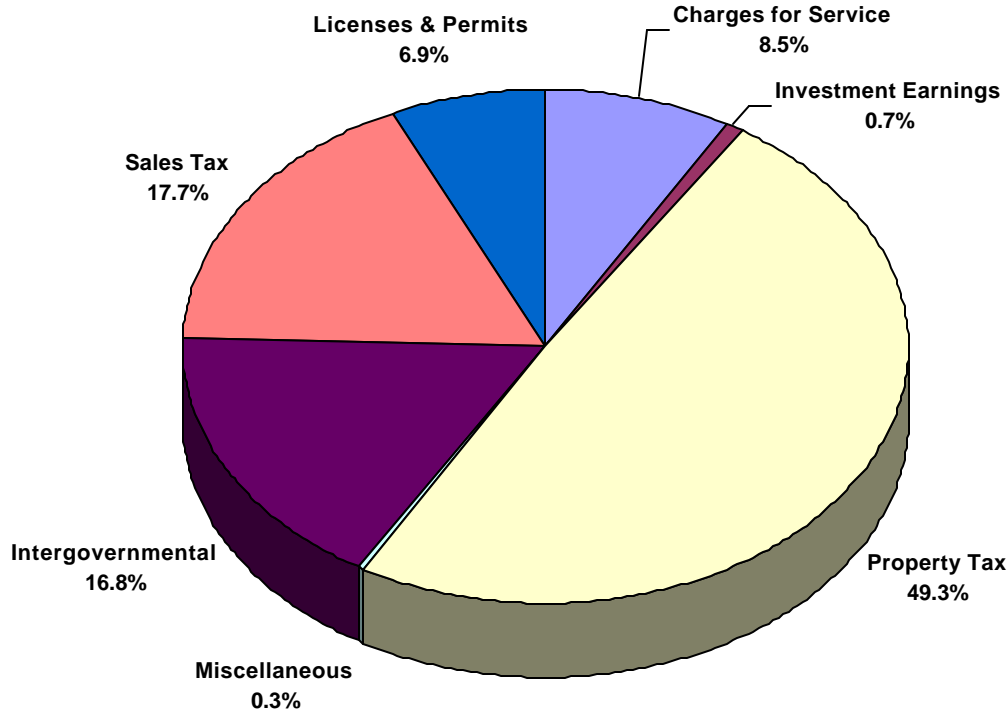
- Due to budget constraints, the FY 2002-03 adopted budget includes a reduction in outside agency funding.
- The City has carried forward a \$100,000 appropriation to the Visitors' Center from FY 2001-02 to support the Chamber's building campaign. As such, no additional appropriation is made for FY 2002-03.
- The Mountain Center for Substance Prevention has ceased operations; therefore no appropriation is provided in FY 2002-03.
- RiverLink did not request outside agency funding for FY 2002-03.

## GENERAL FUND REVENUES

<b><u>Revenue Sources</u></b>	<b>1999-00 Actual</b>	<b>2000-01 Actual</b>	<b>2001-02 Budget</b>	<b>2002-03 Adopted</b>
<b><u>Taxes</u></b>				
Property Tax - Current Year	23,222,032	25,291,602	25,970,963	<b>28,428,048</b>
Local Option Sales Tax	10,346,713	10,565,136	11,359,573	<b>10,828,473</b>
Motor Vehicle Property Tax	2,063,403	2,215,368	2,400,000	<b>2,279,533</b>
Property Tax - Prior Years	454,385	454,603	450,000	<b>325,000</b>
Other Taxes	54,765	230,261	251,140	<b>297,640</b>
<b>Total Taxes</b>	<b>36,141,298</b>	<b>38,756,970</b>	<b>40,431,676</b>	<b>42,158,694</b>
<b><u>Licenses &amp; Permits</u></b>				
Building Safety Fees	1,397,955	1,619,294	1,453,000	<b>1,437,500</b>
Cable Franchise Fees	863,390	812,059	750,000	<b>800,000</b>
Local Utility Franchise Tax	436,610	468,008	420,000	<b>430,000</b>
Business Privilege Licenses	636,473	895,518	798,000	<b>800,000</b>
Motor Vehicle Licenses	265,985	419,273	500,000	<b>530,000</b>
Engineering Permits	455,698	392,576	315,000	<b>281,000</b>
Other	77,027	65,916	56,050	<b>58,400</b>
<b>Total Licenses/Permits</b>	<b>4,133,138</b>	<b>4,672,644</b>	<b>4,292,050</b>	<b>4,336,900</b>
<b><u>Intergovernmental</u></b>				
State Utility Franchise	3,995,435	4,162,306	4,194,972	<b>4,194,972</b>
Powell Bill	2,284,795	2,376,425	2,376,425	<b>2,237,632</b>
County Law Enforcement	1,839,677	1,800,259	1,823,239	<b>1,800,259</b>
Inventory Exclusions	1,174,130	1,173,973	1,180,001	<b>0</b>
State Intangible Tax	1,028,749	1,034,696	1,065,737	<b>0</b>
Water Fund - PILOT	990,419	1,036,078	1,069,299	<b>1,080,350</b>
ABC Revenue	556,122	589,099	560,000	<b>580,000</b>
State Beer & Wine Taxes	293,223	298,712	300,000	<b>0</b>
Other	867,402	1,288,299	960,699	<b>712,223</b>
<b>Total Intergovernmental</b>	<b>13,029,952</b>	<b>13,759,847</b>	<b>13,530,372</b>	<b>10,605,436</b>
<b><u>Charges For Service</u></b>				
Charges to Other Funds	2,915,170	2,934,521	2,837,079	<b>2,853,205</b>
Parks & Recreation Fees	546,514	619,369	814,344	<b>824,310</b>
Recycling Charges	377,616	499,662	546,926	<b>741,200</b>
Fire Protection Charges	378,553	387,212	360,900	<b>399,906</b>
Fire Inspection Fees	225,755	236,885	225,000	<b>210,000</b>
Other	417,039	269,161	314,045	<b>297,880</b>
<b>Total Charges for Service</b>	<b>4,860,647</b>	<b>4,946,810</b>	<b>5,098,294</b>	<b>5,326,501</b>
<b><u>Investment Earnings</u></b>	<b>868,530</b>	<b>763,388</b>	<b>810,000</b>	<b>412,000</b>
<b><u>Miscellaneous</u></b>	<b>167,092</b>	<b>148,972</b>	<b>165,920</b>	<b>158,900</b>
<b><u>App. Fund Balance</u></b>	<b>--</b>	<b>--</b>	<b>50,000</b>	<b>0</b>
<b><u>Total Revenues</u></b>	<b><u>59,200,657</u></b>	<b><u>63,048,631</u></b>	<b><u>64,378,312</u></b>	<b><u>62,998,431</u></b>

# GENERAL FUND REVENUES

## CITY OF ASHEVILLE FY 2002-03 GENERAL FUND REVENUES BY SOURCE TOTAL \$62,998,431

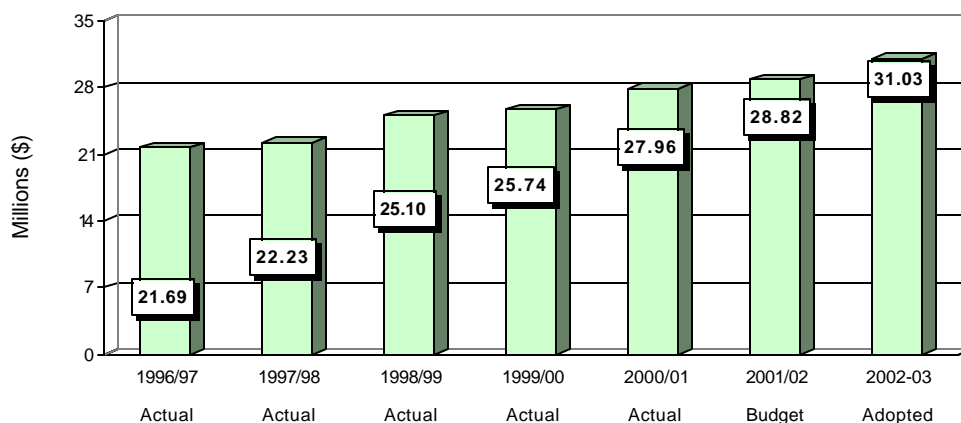


### Budget-to-Budget Revenue Comparison

<b><u>Revenue Sources:</u></b>	<b>2001-02</b>	<b>2002-03</b>	<b>Change From Prior Year</b>	
	<b><u>Budget</u></b>	<b><u>Adopted</u></b>	<b><u>in \$</u></b>	<b><u>in %</u></b>
Property Tax	28,820,963	31,032,581	2,211,618	7.7%
Intergovernmental	13,530,372	10,605,436	(2,924,936)	-21.6%
Sales & Other Taxes	11,610,713	11,126,113	(484,600)	-4.2%
Charges For Service	5,098,294	5,326,501	228,207	4.5%
Licenses & Permits	4,292,050	4,336,900	44,850	1.0%
Investment Earnings	810,000	412,000	(398,000)	-49.1%
Miscellaneous	165,920	158,900	(7,020)	-4.2%
App. Fund Bal.	<u>50,000</u>	<u>0</u>	<u>(50,000)</u>	<u>-100.0%</u>
<b>Total General Fund Revenue</b>	<b><u>64,378,312</u></b>	<b><u>62,998,431</u></b>	<b><u>(1,379,881)</u></b>	<b><u>-2.1%</u></b>

# GENERAL FUND REVENUES

## PROPERTY TAXES



<u>Property Taxes</u>	<b>1999-00 Actual</b>	<b>2000-01 Actual</b>	<b>2001-02 Budget</b>	<b>2002-03 Adopted</b>
<b>Current Year</b>	23,222,032	25,291,602	25,970,963	<b>28,428,048</b>
<b>Registered Motor Vehicles</b>	2,063,403	2,215,368	2,400,000	<b>2,279,533</b>
<b>Prior Years</b>	<u>454,385</u>	<u>454,603</u>	<u>450,000</u>	<b><u>325,000</u></b>
<b>Total Property Taxes</b>	<u>25,739,820</u>	<u>27,961,573</u>	<u>28,820,963</u>	<b><u>31,032,581</u></b>
<b>Assessed Value**</b>	4,496,978,521	4,609,402,984	4,719,844,223	<b>5,545,710,378</b>
<b>Tax Rate per \$100 of Value</b>	\$0.52	\$0.56	\$0.56	<b>\$0.53</b>
<b>Tax Levy</b>	23,594,643	25,786,466	26,431,128	<b>29,392,265</b>
<b>Collection Rate</b>	98.42%	98.08%	98.25%	<b>97.00%</b>
<b>Total Current Year Revenue</b>	23,222,032	25,291,602	25,970,963	<b>28,510,497</b>
<b>Fund Balance Allocation</b>	--	--	--	<b>82,449</b>

\*\* Excluding registered motor vehicles

### Trends & Assumptions

The Property or Ad Valorem Tax is the largest funding source for general government services, providing 49.3% of the City's total FY 2002-03 general fund revenue. The property tax is levied each year on the value of real, certain personal, and public service property that is listed as of January 1 of that year. Real property is revalued every four years, while personal and utility values are adjusted annually. The most recent revaluation was completed in 2001, and the new values become effective in FY 2002-03. Real property values increased approximately 20% as a result of revaluation.

Excluding revaluation, annual growth in the City's property tax base has averaged 3.2% over the past five years. For FY 2001-02, assessed value exceeded budget expectations and increased by 3.3%. The commercial sector led the growth in FY 2001-02 with a 6.5% increase. The Asheville Mall and Grove Park Inn expansions were the primary factors driving this increase. The City

also continued to see steady growth in the residential sector, which grew by 2.1%. For the second year in a row, the City did experience a decrease in its industrial tax base, which fell by \$5.9 million. The tax value of the City's public service companies also decreased by \$17.8 million. This decrease was primarily the result of a \$20 million drop in the value of property owned by Atlantic Southeast Airlines.

Despite the economic downturn, construction activity remains strong in the City. In addition, five newly annexed areas were added to the tax base on July 1, 2002, which will generate an additional \$170,000 in property tax revenue. Based on this data, budget staff is projecting that the City's tax base will grow by another 3.8% in FY 2002-03. The tax rate has been lowered to 53 cents per \$100 of assessed valuation to reflect revaluation and the anticipated natural growth in the City's tax base. Motor vehicle property tax revenue is expected to decline due to the tax rate decrease.

# GENERAL FUND REVENUES

## ASSESSED VALUATION HISTORY

### Major Property Categories

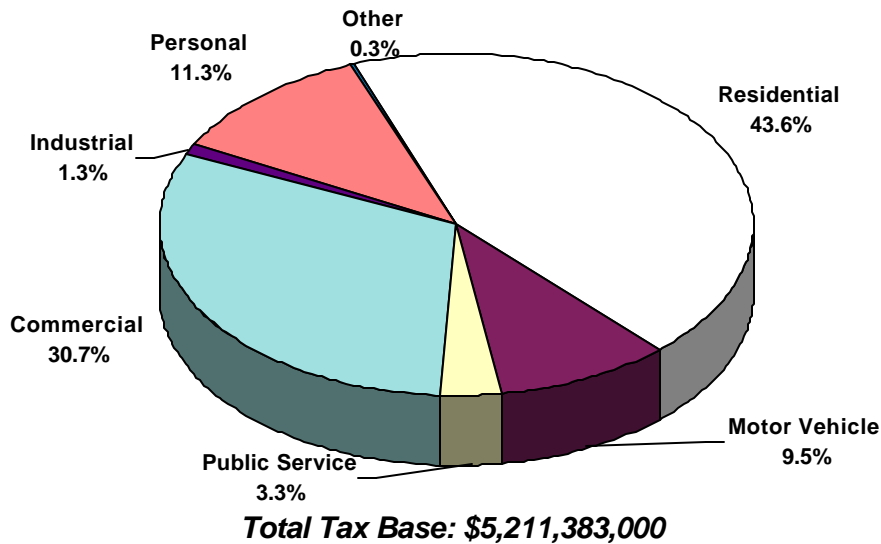
(\$ in thousands)

	FY 1996-97	FY 1997-98*	FY 1998-99**	FY 1999-00	FY 2000-01	FY 2001-02
<b>Residential</b>	\$2,048,214	\$1,611,601	\$2,135,848	\$2,175,538	\$2,227,298	\$2,274,653
Percent Change	2.1%	-21.3%	32.5%	1.9%	2.4%	2.1%
<b>Commercial</b>	\$587,288	\$1,104,421	\$1,416,111	\$1,432,849	\$1,501,591	\$1,599,131
Percent Change	2.1%	88.1%	28.2%	1.2%	4.8%	6.5%
<b>Personal</b>	\$490,672	\$525,998	\$572,756	\$605,106	\$578,729	\$586,792
Percent Change	11.2%	7.2%	8.9%	5.6%	-4.4%	1.4%
<b>Public Service Companies</b>	\$158,561	\$154,126	\$170,444	\$186,662	\$187,891	\$170,125
Percent Change	6.9%	-2.8%	10.6%	9.5%	0.7%	-9.5%
<b>Industrial</b>	\$64,734	\$72,502	\$80,121	\$82,909	\$73,564	\$67,672
Percent Change	2.1%	12.0%	10.5%	3.5%	-11.3%	-8.0%
<b>Other</b>	\$15,903	\$9,536	\$13,108	\$13,915	\$13,679	\$16,184
Percent Change	-1.9%	-40.0%	37.5%	6.2%	-1.7%	18.3%
<b>Motor Vehicles</b>	\$323,429	\$349,803	\$374,234	\$390,207	\$460,054	\$496,826
Percent Change	N/A	8.2%	7.0%	4.3%	17.9%	8.0%
<b>TOTAL TAX BASE</b>	<b>\$3,688,801</b>	<b>\$3,827,987</b>	<b>\$4,762,622</b>	<b>\$4,887,186</b>	<b>\$5,042,806</b>	<b>\$5,211,383</b>
Percent Change		3.8%	24.4%	2.6%	3.2%	3.3%

\* Buncombe County revised its method for classifying residential & commercial properties effective FY 1997-98. This resulted in a large decrease in residential property value and a large increase in commercial property value.

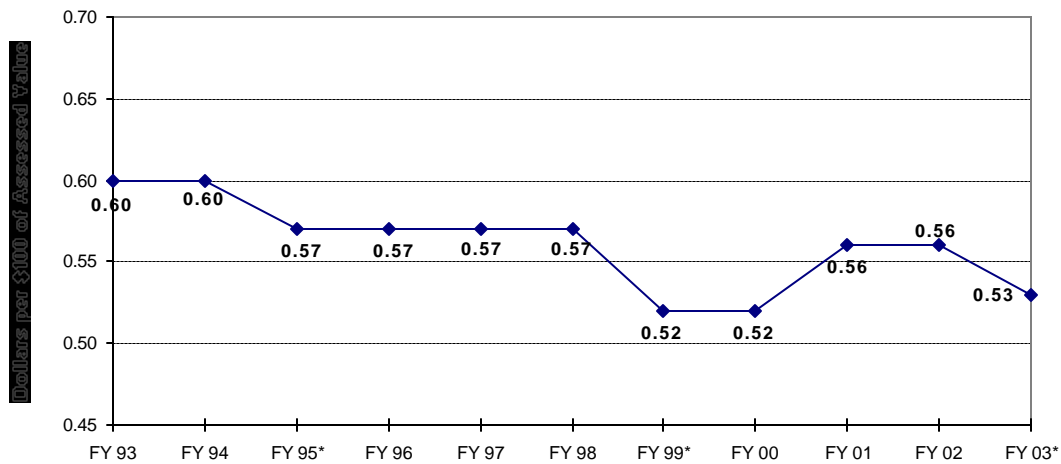
\*\* Revaluation effective FY 1998-99

### City of Asheville FY 2001-02 Tax Base



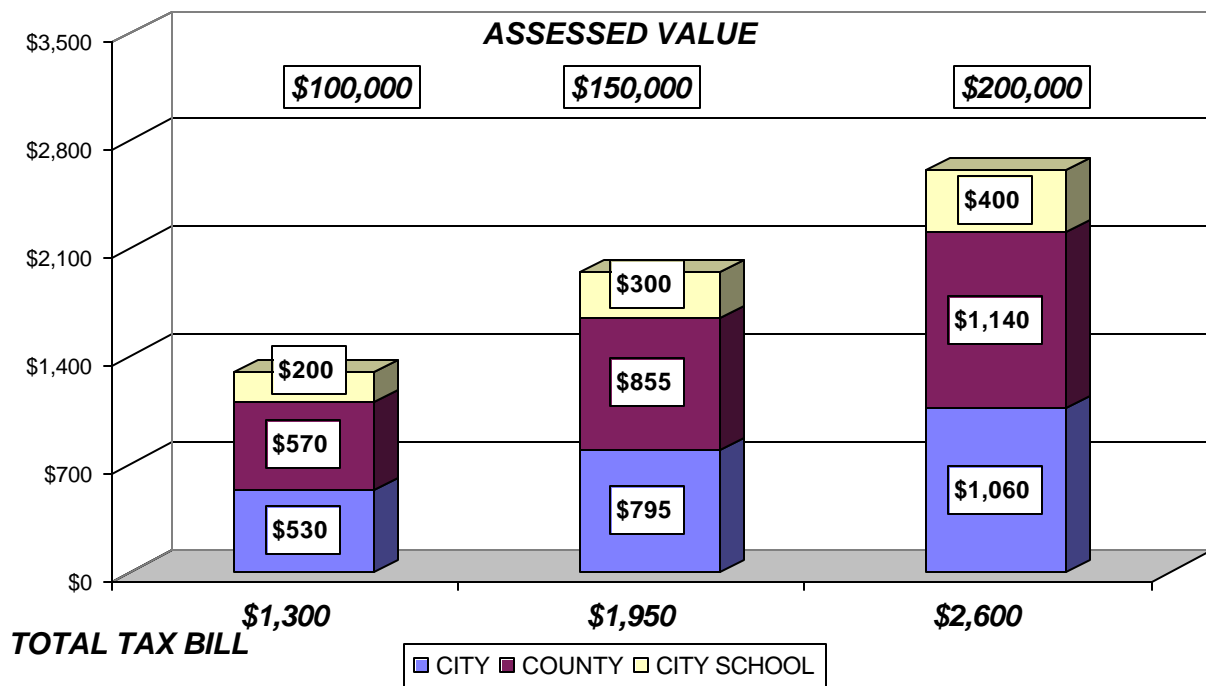
# GENERAL FUND REVENUES

## City of Asheville Tax Rate History



\* Revaluation Years

## FY 2002-2003 Sample Tax Bill



Note:

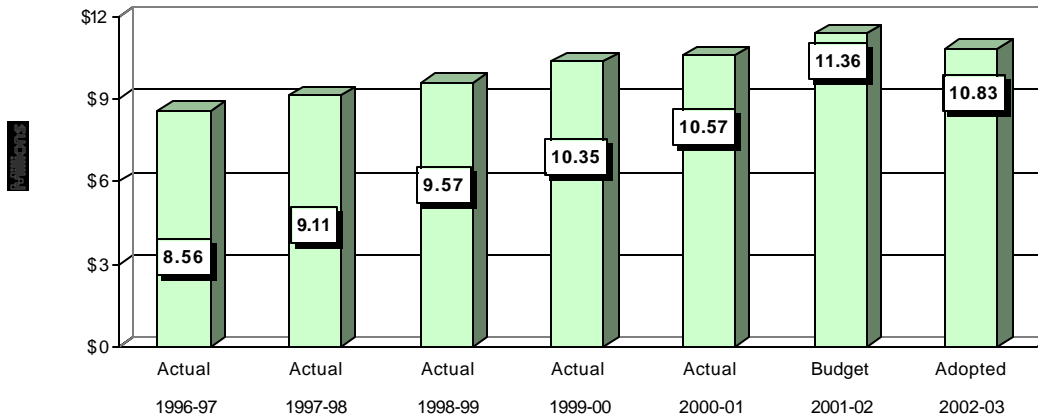
City tax rate: 53 cents

County tax rate: 57 cents

City School tax rate: 20 cents

# GENERAL FUND REVENUES

## LOCAL OPTION SALES TAX



	1999-00 Actual	2000-01 Actual	2001-02 Budget	2002-03 Adopted
<b><u>Sales Tax Components</u></b>				
One Cent	5,784,313	5,841,478	6,323,921	5,968,638
Half Cent (83)	2,290,632	2,371,927	2,528,563	2,440,110
Half Cent (86)	<u>2,271,768</u>	<u>2,351,731</u>	<u>2,507,089</u>	<u>2,419,725</u>
<b>Total Sales Tax</b>	10,346,713	10,565,136	11,359,573	10,828,473
<b>Percent Change</b>	8.09%	2.11%	7.52%	-4.68%

### Trends & Assumptions

Local option sales tax revenue is collected by the State of North Carolina and distributed on a quarterly basis. Net proceeds from the one-cent sales tax are returned to the county in which the tax was collected. The City's revenue from the one-cent sales tax is therefore dependent on retail sales activity in Buncombe County. Proceeds from the two half-cent sales taxes are placed in a statewide pool and allocated among counties based on each county's share of the total state population. Half-cent sales tax revenue therefore is dependent on retail sales activity statewide and on Buncombe County's population relative to the State as a whole.

Buncombe County's sales tax revenue from both the one-cent and the half-cent sales taxes is then divided between the County and the local municipalities based on each entity's share of the total county ad valorem tax levy. Based on this distribution formula, the City currently receives 21.65% of the sales tax revenue distributed to Buncombe County. The State recalculates this percentage each year to account for tax rate

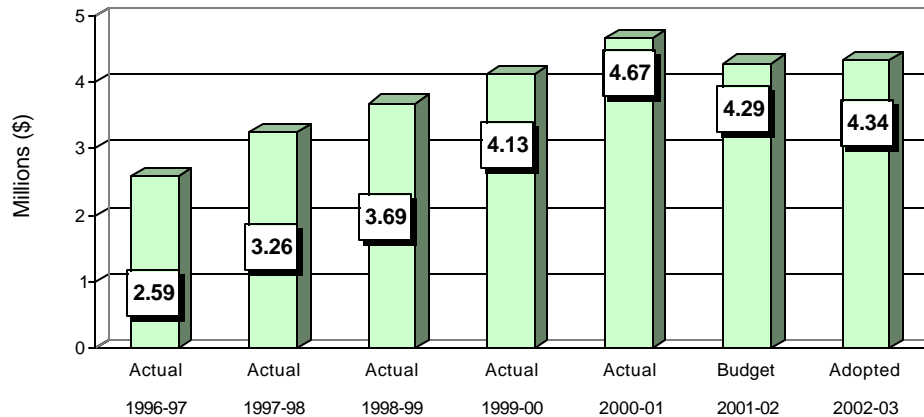
changes, annexations, revaluation, and natural growth in the tax base. Budget staff estimates that the City's share of countywide sales tax revenue will remain unchanged in FY 2002-03.

In the five years prior to FY 2000-01, strong economic activity at the state and local level pushed Asheville's sales tax revenue up by an average of 6.5% per year. However, the economic recession has slowed growth substantially over the last two fiscal years. Sales tax revenue grew by only 2.1% in FY 2000-01 and by only 2.2% in FY 2001-02. As a result, actual sales tax revenue fell short of budget in FY 2001-02 by \$558,000.

With most forecasts predicting that the economy will begin a slow recovery from recession in the second half of 2002, budget staff is projecting FY 2002-03 revenue will grow by 2.0% over actual FY 2001-02 receipts. However, as a result of the budget shortfall in FY 2001-02, this increase translates into a budget-to-budget decrease of 4.7%.

# GENERAL FUND REVENUES

## LICENSES & PERMITS



	1999-00 Actual	2000-01 Actual	2001-02 Budget	2002-03 Adopted
<b><u>Licenses &amp; Permits</u></b>				
Building Safety Fees	1,397,955	1,619,294	1,453,000	1,437,500
Cable Franchise Fees	863,390	812,059	750,000	800,000
Local Utility Franchise Tax	436,610	468,008	420,000	430,000
Business Privilege Licenses	636,473	895,518	798,000	800,000
Motor Vehicle Licenses	265,985	419,273	500,000	530,000
Engineering Permits	455,698	392,576	315,000	281,000
Other	77,027	65,916	56,050	58,400
<b>Total Licenses &amp; Permits</b>	<b>4,133,138</b>	<b>4,672,644</b>	<b>4,292,050</b>	<b>4,336,900</b>
<b>Percent Change</b>	<b>11.98%</b>	<b>13.05%</b>	<b>-8.15%</b>	<b>1.04%</b>

### Trends & Assumptions

License & permit fees are generally used to offset the cost of regulating certain activities within the City. Some license and permit rates are set by the State, while others are set by City Council. Revenue from licenses & permits is influenced by local population growth, economic conditions, trends in development and re-development activity, and Council-adopted fee changes.

**Building Safety Fees:** During FY 2000-01, strong construction sector activity led to a 15.8% increase in inspection & permit fee revenue. Major construction projects active during this time included renovations at the Grove Arcade and additions at the Asheville Mall and Mission St. Joseph's Hospital. Construction activity slowed somewhat during FY 2001-02 due to the recession, and building safety revenues ended the year down 9.2% compared to FY 2000-01. FY 2001-02 revenue still managed to exceed budget by approximately \$17,000.

Based on construction trends in FY 2001-02 and the continued uncertainty surrounding the

economy, staff is projecting a budget-to-budget decrease in building safety revenue of 1.1%.

**Cable Franchise Fees & Local Utility Franchise Tax:** The City levies franchise fees and taxes on cable, electric, and gas utilities operating within the city limits. Based on FY 2001-02 trends, staff expects that these revenues will increase by 5.1% in FY 2002-03.

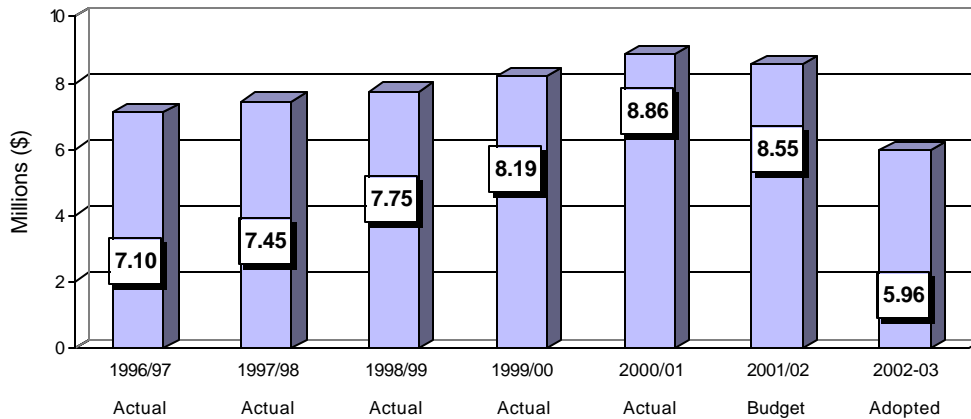
**Motor Vehicle Licenses:** The City levies an annual registration fee of \$10 on all motor vehicles owned by City residents. Half of the revenue generated from this fee is transferred to the Transit Services Fund to support the City's transit system. Based on FY 2001-02 collection trends, staff is projecting a 6.0% increase for this revenue in FY 2002-03.

**Business Privilege Licenses:** Revenue from business privilege license fees is expected to remain flat compared to FY 2001-02.



# GENERAL FUND REVENUES

## INTERGOVERNMENTAL REVENUE – UNRESTRICTED



	1999-00 Actual	2000-01 Actual	2001-02 Budget	2002-03 Adopted
<b><u>Unrestricted Intergovernmental</u></b>				
State Utility Taxes	3,995,435	4,162,306	4,194,972	4,194,972
Inventory Exclusions	1,174,130	1,173,973	1,180,001	0
Water Fund Pilot	990,419	1,036,078	1,069,299	1,080,350
State Intangible Tax	1,028,749	1,034,696	1,065,737	0
ABC Revenue	556,122	589,099	560,000	580,000
State Beer & Wine Tax	293,223	298,712	300,000	0
Other	148,550	565,178	181,280	106,280
<b>Total Unrestricted Intergov.</b>	<b>8,186,628</b>	<b>8,860,042</b>	<b>8,551,289</b>	<b>5,961,602</b>
<b>Percent Change</b>	<b>5.70%</b>	<b>8.23%</b>	<b>-3.48%</b>	<b>-30.28%</b>

### Trends & Assumptions

Unrestricted intergovernmental revenue includes grants, shared revenues, and reimbursements received by the City of Asheville which carry no restrictions as to use. The adopted budget assumed correctly that the State of North Carolina would withhold approximately \$2.6 million in local reimbursement revenue from the City of Asheville in order to deal with the State budget deficit. Intergovernmental revenues eliminated from the budget include the inventory exclusion reimbursement, the intangibles tax reimbursement, the state beer & wine tax, and the homestead exemption reimbursement.

**State Utility Taxes:** The State levies the following utility taxes: a franchise tax on electricity, a sales tax on telecommunications, and an excise tax on piped natural gas. The State then shares a portion of these revenues with municipalities based on sales and consumption within each city.

This revenue source is influenced by the economy, local weather conditions, population growth, annexations, and any changes in local utility rates. Annual growth in this revenue over the past five fiscal years has averaged 6.0%.

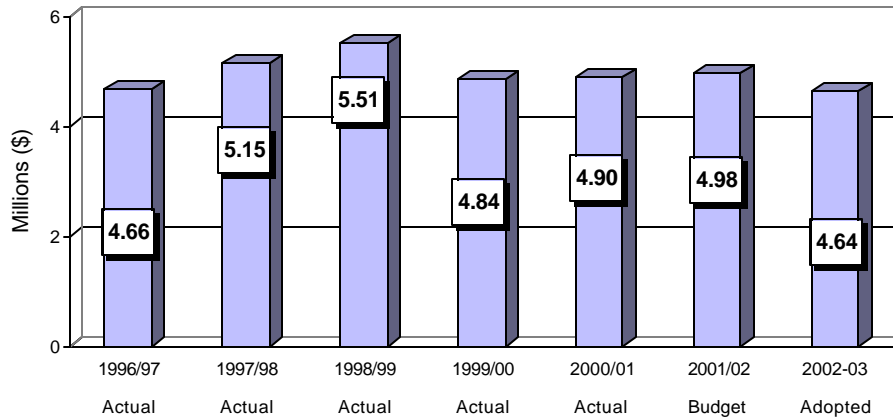
However, revenue in the first half of FY 2001-02 decreased by 3.3% compared to the first half of the prior year. This unexpected decrease was the result of the recession and the unusually mild winter. In addition, the Governor withheld the final two quarterly payments of the electric franchise tax and the natural gas excise tax. As a result, FY 2001-02 revenue fell short of budget by approximately \$2.0 million.

As of this date, the General Assembly has not adopted a State budget; thus the utility franchise tax revenues theoretically remain in jeopardy. The Governor, however, has publicly stated that he will not withhold utility franchise payments to local governments in FY 2002-03. Therefore, the adopted budget assumes full receipt of these revenues in FY 2002-03.

**Payment in Lieu of Taxes (PILOT)- Water Fund:** The water resources fund makes payments to the general fund in the amount of 5% of gross water revenues. Due to slow growth in water revenue, only a 1% increase is projected for FY 2002-03.

# GENERAL FUND REVENUES

## INTERGOVERNMENTAL REVENUE – RESTRICTED



	1999-00 Actual	2000-01 Actual	2001-02 Budget	2002-03 Adopted
<b><u>Restricted Intergovernmental</u></b>				
Powell Bill	2,284,795	2,376,425	2,376,425	2,237,632
County Law Enforcement	1,839,677	1,800,259	1,823,239	1,800,259
Other	718,852	723,121	779,419	605,943
<b>Total Restricted Intergov.</b>	<b>4,843,324</b>	<b>4,899,805</b>	<b>4,979,083</b>	<b>4,643,834</b>
<b>Percent Change</b>	<b>-12.10%</b>	<b>1.17%</b>	<b>1.62%</b>	<b>-6.73%</b>

### Trends & Assumptions

Restricted intergovernmental revenues consist of grants or payments from other governmental units (federal, state, & local) which can only be used to fund specific services or programs.

**Powell Bill:** North Carolina municipalities receive a portion of the proceeds from the state gasoline tax and the Highway Trust Fund. The money is distributed to municipalities based 75% on population and 25% on local street mileage. Powell Bill funds can only be expended to maintain, repair, or construct local streets.

Over the last five years, Asheville's Powell Bill revenue has grown at an annual average rate of 2.0%. FY 2001-02 revenue actually decreased by 0.2% compared to the prior year and came in under budget. Asheville's Powell Bill revenue growth has been hampered by the fact that its population growth rate has been slower than the statewide average. Because of this slower growth, Asheville has seen its share of the total statewide Powell Bill allocation fall 10.1% since FY 1996-97.

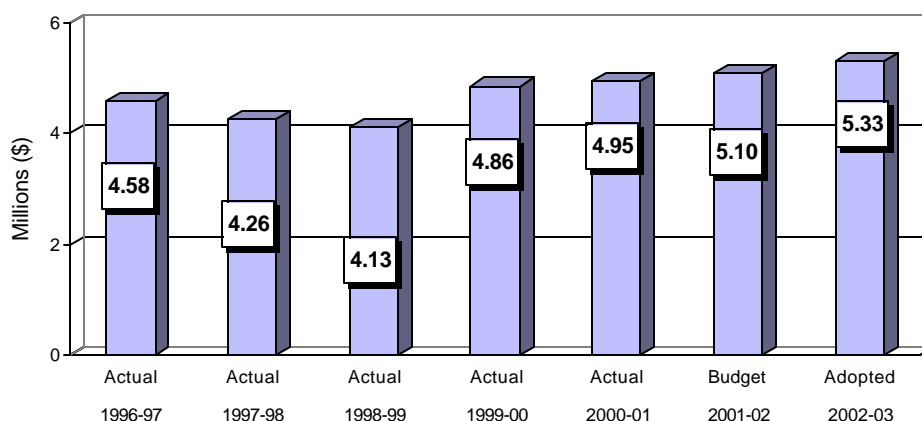
To help offset the State's FY 2001-02 budget shortfall, the Governor withheld a portion of the funding that usually flows into the Highway Trust Fund. In addition, receipts from the State gasoline are showing a decline due to the recession. These two factors combined are expected to reduce Powell Bill revenue by \$140,000 or 5.8% in FY 2002-03.

**County Law Enforcement:** The City receives a payment from Buncombe County as a form of reimbursement for the cost of County sheriff patrol services which are duplicated by the City's own police department. The payment is based on the amount the County spends on the sheriff patrol function, and Asheville's share of the total county population. Based on estimates supplied by the County, staff is projecting that revenue in FY 2001-02 and FY 2002-03 will show no increase over the FY 2000-01 amount.

**Other:** This grouping accounts for numerous smaller restricted intergovernmental revenues. Many of these revenues are one-time in nature, and as a result, there can be considerable year-to-year fluctuation in this category.

# GENERAL FUND REVENUES

## CHARGES FOR SERVICE



	1999-00	2000-01	2001-02	2002-03
<u>Charges For Service</u>	Actual	Actual	Budget	Adopted
Internal Charges	2,915,170	2,934,521	2,837,079	2,853,205
Parks & Recreation Fees	546,514	619,369	814,344	824,310
Recycling Charges	377,616	499,662	546,926	741,200
Fire Protection Charges	378,553	387,212	360,900	399,906
Fire Inspection Fees	225,755	236,885	225,000	210,000
Other	<u>417,039</u>	<u>269,161</u>	<u>314,045</u>	<u>297,880</u>
<b>Total Charges For Service</b>	<b>4,860,647</b>	<b>4,946,810</b>	<b>5,098,294</b>	<b>5,326,501</b>
<b>Percent Change</b>	<b>17.79%</b>	<b>1.77%</b>	<b>3.06%</b>	<b>4.48%</b>

### Trends & Assumptions

Charges for services are revenues derived from charges for the use of specific general fund services, such as Parks & Recreation programs and curbside recycling. By Council policy, many of these services are partially or fully funded through user charges.

**Internal Charges:** Internal charges include transfers to the general fund from the water resources fund and other City funds. The transfer amounts are based on the indirect cost allocation plan and are designed to cover the cost of services provided by general fund departments in support of these enterprise fund operations. A 0.6% increase is budgeted for FY 2002-03.

**Parks & Recreation Fees:** Based on trends in the current year, Parks & Recreation user fees show only a small increase of 1.22%.

**Recycling Charges:** The City charges households a monthly fee to recover the costs of

the curbside recycling program. This fee was increased from \$2.00 to \$2.50 per month at the beginning of FY 2001-02. This fee change, coupled with an increase in the number of accounts billed for recycling service, led to a substantial increase in revenue during FY 2001-02. Based on FY 2001-02 collection trends, the FY 2002-03 budget shows a budget-to-budget increase of 35.5%.

**Fire Protection Charges:** The City's fire department provides fire protection services to several areas outside the City limits, including the Biltmore Estate and the town of Biltmore Forest. The charge for this service is based on the assessed value of the property being served

**Fire Inspection Fees:** The budget for this revenue is adjusted downward to reflect collection trends in FY 2001-02.

## ENTERPRISE FUNDS

Enterprise funds provide public services that are operated in a manner similar to private business, where expenses are primarily financed by revenues derived from user charges. The City of Asheville's annual operating budget includes the following enterprise funds:

**Water Resources Fund:** This fund accounts for water and sewer services in the City of Asheville. The system operates under the administrative direction of the Regional Water Authority. The utility rate structure is designed to produce sufficient revenues to cover all operating expenses including debt service and maintenance of adequate working capital.

	1999-00	2000-01	2001-02	2002-03
	Actual	Actual	Budget	Adopted
<b>Expenditures:</b>				
Salaries & Wages	2,989,178	3,198,374	3,475,500	3,371,623
Fringe Benefits	1,132,217	1,204,331	1,291,654	1,373,013
Operating Costs	7,527,704	8,247,582	9,103,377	8,923,310
Debt Service	5,122,449	5,256,872	5,756,888	5,780,188
Capital Outlay	<u>1,139,440</u>	<u>945,212</u>	<u>2,173,600</u>	<u>2,633,866</u>
Total	17,910,988	18,852,371	21,801,019	22,082,000
FTE Positions	106.00	105.50	107.00	107.00
<b>Revenues:</b>				
Charges For Service	19,778,897	20,697,342	21,383,299	21,579,300
Investment Earnings	299,342	626,628	415,020	500,000
Miscellaneous	<u>29,485</u>	<u>16,734</u>	<u>2,700</u>	<u>2,700</u>
Total	20,107,724	21,340,704	21,801,019	22,082,000

**Transit Services Fund:** This fund is established to account for the provision of public transit services within the City of Asheville. The City's Transit Services Department manages and administers transit operations. This fund is supported by a general fund subsidy of \$813,485.

	1999-00	2000-01	2001-02	2002-03
	Actual	Actual	Budget	Adopted
<b>Expenditures:</b>				
Salaries & Wages	47,430	49,517	69,815	101,634
Fringe Benefits	13,815	14,273	19,736	14,799
Operating Costs	2,359,438	2,454,116	2,890,923	3,079,708
Capital Outlay	<u>4,959</u>	<u>132,841</u>	<u>901,656</u>	<u>165,475</u>
Total	2,425,642	2,650,747	3,882,130	3,361,616
FTE Positions	1.00	1.00	1.00	1.00
<b>Revenues:</b>				
Intergovernmental	992,501	1,260,172	1,997,803	1,724,027
General Fund Subsidy	898,738	813,485	813,485	813,485
Licenses & Permits	0	181,934	250,000	250,000
Charges For Service	726,793	525,239	509,357	525,650
Miscellaneous	3,706	12,082	0	26,556
Investment Earnings	0	17,284	0	0
Appropriated Fund Bal.	<u>0</u>	<u>0</u>	<u>311,485</u>	<u>21,898</u>
Total	2,621,738	2,810,196	3,882,130	3,361,616

## ENTERPRISE FUNDS

**Parking Services Fund:** This fund accounts for the parking facilities and meters owned and operated as enterprises of the City of Asheville. Operations include three parking garages, over 700 on-street metered spaces, and more than 200 lot spaces. This fund is administered by the Finance Department.

	1999-00	2000-01	2001-02	2002-03
	Actual	Actual	Budget	Adopted
<b>Expenditures:</b>				
Salaries & Wages	287,788	285,631	306,859	358,714
Fringe Benefits	97,034	101,750	119,539	133,194
Operating Costs	348,817	406,397	571,922	897,515
Debt Service	519,465	679,988	605,000	605,000
Capital Outlay	<u>287,474</u>	<u>26,000</u>	<u>341,960</u>	<u>78,027</u>
Total	1,540,578	1,499,766	1,945,280	2,072,450
FTE Positions	13.00	15.00	15.00	15.00
<b>Revenues:</b>				
Miscellaneous	1,666,825	1,932,655	1,774,300	2,072,450
General Fund Subsidy	170,980	170,980	170,980	0
Charges For Service	0	0	0	0
Investment Earnings	0	20,705	0	0
Other	<u>295,474</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	2,133,279	2,124,340	1,945,280	2,072,450

**Civic Center Fund:** This fund accounts for the operation of the City of Asheville Civic Center, which is used for concerts, family shows, trade shows, and sporting events. This fund is supported by a general fund subsidy of \$667,901.

	1999-00	2000-01	2001-02	2002-03
	Actual	Actual	Budget	Adopted
<b>Expenditures:</b>				
Salaries & Wages	916,646	889,133	1,109,055	782,674
Fringe Benefits	232,991	205,673	228,133	223,704
Operating Costs	1,052,268	989,409	1,574,421	970,219
Debt Service	19,942	100,116	101,400	101,400
Capital Outlay	<u>22,302</u>	<u>6,181</u>	<u>65,449</u>	<u>0</u>
Total	2,244,149	2,190,512	3,078,458	2,077,997
FTE Positions	17.63	16.63	17.63	15.88
<b>Revenues:</b>				
Charges For Service	1,491,334	1,321,088	1,796,698	1,329,000
General Fund Subsidy	886,419	759,932	1,008,914	667,901
Other	36,896	36,896	36,896	36,896
Miscellaneous	545	(11,993)	235,950	44,200
Investment Earnings	<u>0</u>	<u>(174)</u>	<u>0</u>	<u>0</u>
Total	2,415,194	2,105,749	3,078,458	2,077,997

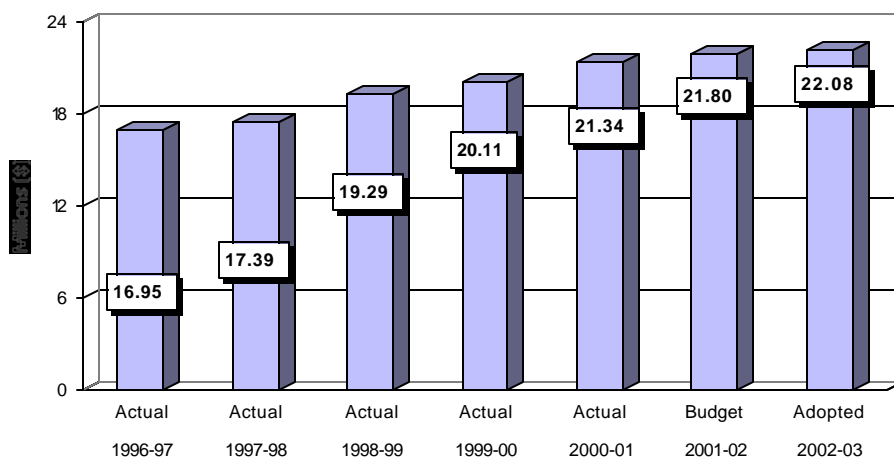
# ENTERPRISE FUNDS

**Festivals Fund:** This new fund accounts for the direct salary & operating costs associated with City-sponsored festivals such as Bele Chere, First Night, & and the Fourth of July.

	1999-00 Actual	2000-01 Actual	2001-02 Budget	2002-03 Adopted
<b>Expenditures:</b>				
Salaries & Wages			154,862	142,126
Fringe Benefits			49,959	53,342
Operating Costs			618,919	677,198
Capital Outlay			<u>0</u>	<u>0</u>
Total			823,740	872,666
FTE Positions			5.00	5.00
<b>Revenues:</b>				
Sponsorships			275,970	302,500
Beverages			199,550	228,000
Vendor Fees & Booths			167,470	178,000
Souvenirs			106,620	81,666
First Night Tickets			32,750	40,000

# ENTERPRISE FUND REVENUES

## WATER RESOURCES FUND REVENUE



	Actual 1999/00	Actual 2000/01	Budget 2001/02	Adopted 2002/03
<b><u>Water Resources Revenue</u></b>				
Utility Charges	18,346,526	18,949,713	19,950,154	19,400,000
Other Operating Revenue	1,435,893	1,740,375	1,435,845	2,182,000
Investment Earnings	299,342	626,628	415,020	500,000
Non-Operating Revenue	<u>25,963</u>	<u>23,988</u>	<u>0</u>	<u>0</u>
<b>Total Water Resources Revenue</b>	20,107,724	21,340,704	21,801,019	22,082,000
<b>Percent Change</b>	4.25%	6.13%	2.16%	1.29%

### Trends & Assumptions

Water revenue is derived from fees and service charges assessed to residential and commercial customers of the regional water system. Water revenue is influenced by fee changes, population growth, water consumption patterns, local economic conditions, and weather.

**Utility Charges:** Water usage or utility charges represent approximately 88% of the fund's total revenue. The FY 2002-03 budget does not include a rate increase, and it is assumed that there will be no growth in demand.

A recent survey of other cities in North Carolina shows Asheville as having the highest water rates in the state when compared to inside City rates. (When compared to outside City rates Asheville's rates are more competitive.) The average annual rate increase for Asheville has been 4.7% for the past five years and 3% for the past ten years. In order to avoid another annual rate increase, which will further widen the gap between Asheville's rates and the rates of other cities across the state, staff plans to implement tight cost control

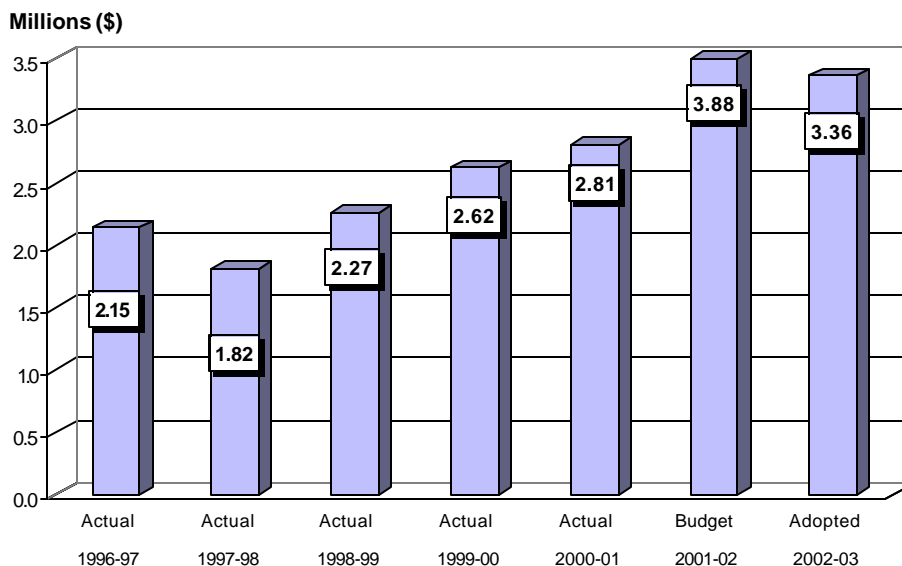
measures, cut operating expenses, and postpone the purchase of capital equipment.

It is assumed that there will be no growth in demand in FY 2002-03. Prior to the drought that occurred in FY 1998-99, revenue from the sale of water grew at a rate of 1% per year; however, growth has declined or been flat for the past three years. Increases in the rate structure and a higher level of revenue from tap and connection fees and other ancillary revenues have prevented major reductions in overall budgets.

**Other Revenue:** Investment earnings reflect earnings on cash fund balances. These earnings are expected to be \$500,000 in FY 02-03. To offset the lack of a rate increase and flat growth from utility charges, some fees and charges will be increased. A recent survey has shown that development fees and fireline charges are below what many other cities across the state are charging, so staff is recommending an increase in these fees in FY 2002-03. The total revenue expected from the increase in development fees and fireline charges is approximately \$250,000.

# ENTERPRISE FUND REVENUES

## TRANSIT SERVICES FUND REVENUE



	Actual 1999/00	Actual 2000/01	Budget 2001/02	Adopted 2002/03
<b><u>Transit Services Revenue</u></b>				
Federal/State Grants	992,501	1,252,088	1,997,803	1,724,027
General Fund Subsidy	898,738	813,485	813,485	813,485
Passenger Fares	500,499	514,899	484,000	500,000
Motor Vehicle License Fee	0	181,934	250,000	250,000
Other	230,000	47,790	25,357	52,206
App. Fund Balance	--	--	<u>311,485</u>	<u>21,898</u>
<b>Total Transit Revenue</b>	2,621,738	2,810,196	3,882,130	3,361,616
<b>Percent Change</b>		7.19%	38.14%	-13.41%

### Trends & Assumptions

Transit Fund revenue is derived from three primary sources: federal & state grant funding, local tax support, and passenger charges. The pie charts on page 59 highlight the percentage of revenue received from each major source in FY 2001-02 and FY 2002-03.

**Federal & State Grants:** The Transit Fund receives grant funding from the federal Transit Administration and the North Carolina Department of Transportation. This funding supports both operating and capital expenditures. Revenue from federal and state grants represents 51% of the fund's total revenue. This revenue shows a decline of 13.7% in FY 2002-03 due to a decrease in the revenue available to support capital expenditures.

**Local Tax Support:** This category includes both the general fund subsidy and the motor vehicle license fee. The general fund subsidy to the transit services fund remains at \$813,485, which is the minimum City contribution allowed under current federal and state regulations. The City also levies an annual registration fee of \$10 on all motor vehicles owned by City residents. Half of the revenue generated from this fee is transferred to the transit fund. This revenue source is expected to remain flat in FY 2002-03. Local tax support provides 31% of total transit fund revenue.

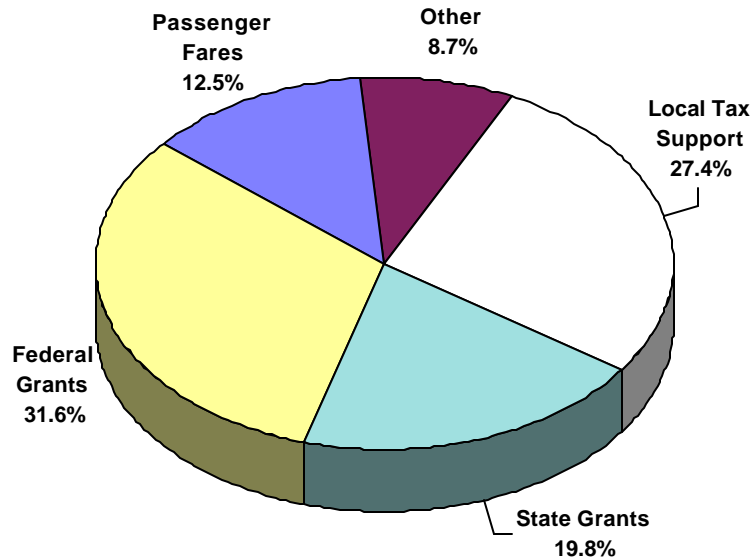
**Passenger Fares:** Charges to transit riders provides 15% of total fund revenue. Based on receipts from prior years and an increase in ridership, the budget for passenger fare income is increased 3.3%.



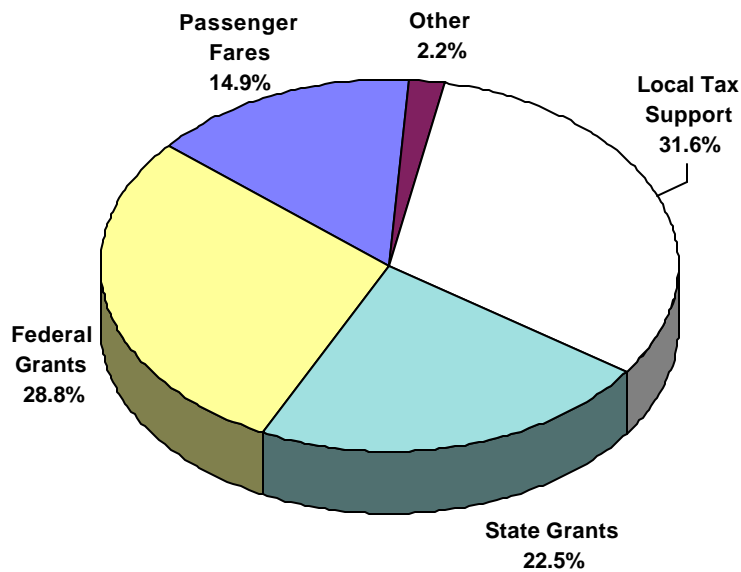
# ENTERPRISE FUND REVENUES

## Transit Services Revenue by Source

**FY 2001-02: \$3,882,130**



**FY 2002-03: \$3,361,616**

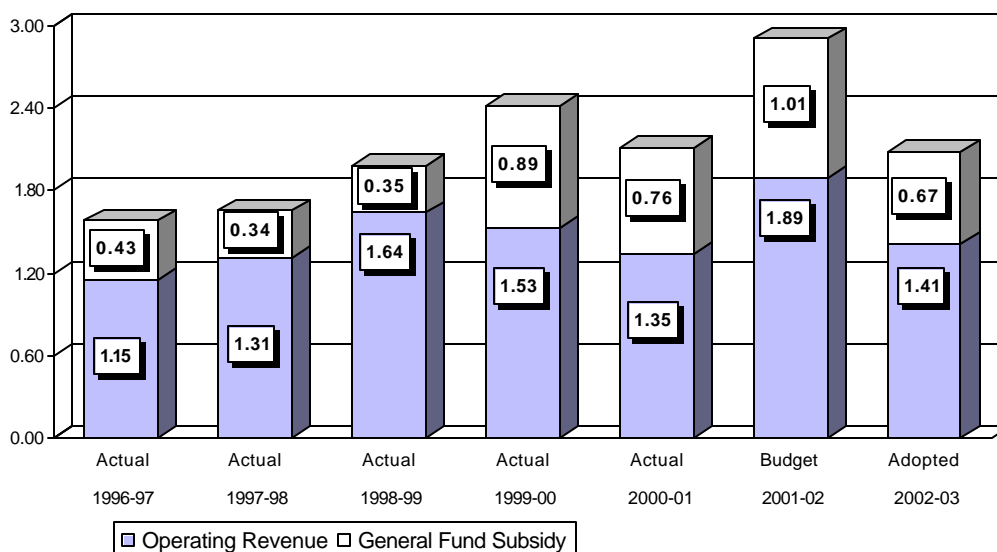


**Note:** Other includes: advertising income, revenue from the sale of buses, and appropriated fund balance.  
Local Tax Support includes: general fund subsidy and motor vehicle license fee revenue.

# ENTERPRISE FUND REVENUES

## CIVIC CENTER FUND REVENUE

Millions (\$)



	Actual 1999/00	Actual 2000/01	Budget 2001/02	Adopted 2002/03
<b><u>Civic Center Revenue</u></b>				
Food & Beverage Sales	605,363	590,421	888,000	479,000
Rent	615,034	525,510	642,598	570,000
Admissions & Other Sales	270,937	205,157	317,050	309,200
Other	37,441	24,729	46,896	51,896
<b>Total Operating Revenue</b>	1,528,775	1,345,817	1,894,544	1,410,096
<b>Percent Change</b>	-6.67%	-11.97%	40.77%	-25.57%
General Fund Subsidy	886,419	759,932	1,008,914	667,901
Private Donations	0	0	175,000	0
<b>Total Civic Center Revenue</b>	2,415,194	2,105,749	3,078,458	2,077,997

### Trends & Assumptions

The Civic Center receives operating revenue from the sale of food and beverages, rental fees charged to the users of the facility, and from various other charges including facility fees and staffing reimbursements. Operating revenue is supplemented with support from the City's general fund.

**Food & Beverage Sales:** The FY 2001-02 budget assumed a higher attendance level during the first year of NBDL basketball games than was actually experienced. The FY 2002-03 revenue budget for food & beverage sales is adjusted downward to reflect actual attendance history at NBDL games.

**Rent:** For the past several years, the Civic Center has booked fewer events in the arena due to competition from the Bi-Lo Center in Greenville. As a result, arena rental revenue has declined.

The FY 2002-03 budget includes a 25% decrease in arena rent. This decline in arena revenue is partially offset by a continuing increase in the number of bookings at the Civic Center's auditorium. Rental revenue from the auditorium shows a 57% increase in FY 2002-03.

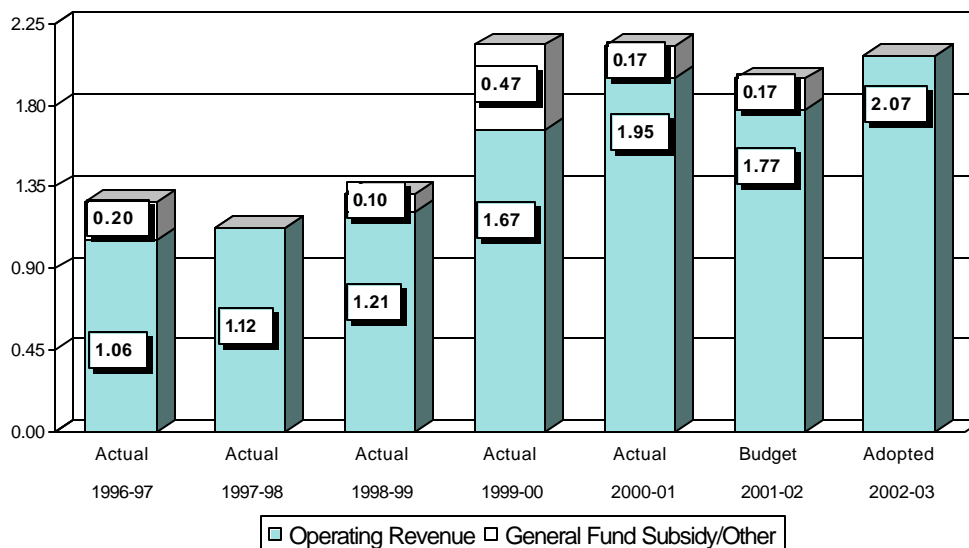
**Admissions & Other Sales:** The FY 2002-03 budget includes \$80,000 in new revenue from a \$1 facility fee, which was adopted by City Council during FY 2001-02.

**General Fund Subsidy:** The required general fund subsidy for FY 2002-03 shows a 34% decrease due to the elimination of some one-time costs associated with the first year of NBDL basketball and various other cost reduction strategies implemented by Civic Center staff.

# ENTERPRISE FUND REVENUES

## PARKING SERVICES FUND REVENUES

Millions (\$)



	Actual 1999/00	Actual 2000/01	Budget 2001/02	Adopted 2002/03
<b><u>Parking Services Revenue</u></b>				
Garage Revenue	694,831	728,594	730,800	862,800
Parking Meters	533,813	700,010	600,000	689,000
Parking Violations	362,195	451,432	391,500	473,750
Parking Lots	56,978	42,843	52,000	38,000
Other	19,008	30,481	0	8,900
<b>Total Operating Revenue</b>	1,666,824	1,953,360	1,774,300	2,072,450
<b>Percent Change</b>	37.77%	17.19%	-9.17%	16.80%
Lease Purchase Proceeds	295,474	0	0	0
General Fund Subsidy	170,980	170,980	170,980	0
<b>Total Parking Services Revenue</b>	2,133,279	2,124,340	1,945,280	2,072,450

### Trends & Assumptions

Parking Services Fund operates three parking garages, over 700 on-street metered spaces, and more than 200 lot spaces. Total operating revenue shows a budget-to-budget increase of 16.80% in FY 2002-03.

**Garage Revenue:** The City implemented an after-hours and weekend parking fee of \$1 at all garages in FY 2000-01. Based on receipts through the first half of FY 2001-02, staff is budgeting a \$93,000 increase in this revenue for FY 2002-03. Garage revenue is also up due to increased usage at the Civic Center parking garage.

**Parking Meters & Parking Violations:** Revenues from parking meters and parking violations also continue to show healthy growth. Downtown parking meters continue to be heavily used. Revenue from parking violations is up in part due to stricter meter enforcement.

**General Fund Subsidy:** The parking services fund is expected to operate self-sufficiently in FY 2002-03, therefore the general fund subsidy is eliminated.

## INTERNAL SERVICE FUNDS

	1999-00 Actual	2000-01 Actual	2001-02 Budget	2002-03 Adopted
<b><u>Revenues:</u></b>				
Risk Management Fund	13,420,688	11,038,924	13,233,828	12,645,747
Fleet Management Fund	2,647,998	2,595,129	2,754,893	2,784,046
Central Stores Fund	822,460	1,139,908	1,071,017	1,108,221
Print Shop Fund	<u>218,796</u>	<u>203,130</u>	<u>267,657</u>	<u>253,979</u>
Total	<u>17,109,942</u>	<u>14,977,091</u>	<u>17,327,395</u>	<u>16,791,993</u>
<b><u>Expenditures:</u></b>				
Risk Management Fund	15,443,642	10,845,055	13,233,828	12,645,747
Fleet Management Fund	2,864,244	2,759,495	2,754,893	2,784,046
Central Stores Fund	875,642	1,139,158	1,071,017	1,108,221
Print Shop Fund	<u>238,337</u>	<u>263,176</u>	<u>267,657</u>	<u>253,979</u>
Total	<u>19,421,865</u>	<u>15,006,884</u>	<u>17,327,395</u>	<u>16,791,993</u>
FTE Positions	32.70	32.55	30.00	25.75

Internal service funds provide centralized services to the various City departments. These funds are self-supporting through charges to the users. Internal service funds include the following:

**Print Shop Fund:** This fund provides printing services to other City departments and on a limited basis to some Buncombe County departments. The fund is managed by the Finance Department.

**Central Stores Fund:** This fund accounts for the acquisition and storage of goods and materials that support the operations of City departments. The fund is managed by the Finance Department.

**Risk Management Fund:** This fund accounts for employee health, retirement, and worker compensation programs; insurance and bonds; and special police and fire department fringe benefit programs. The Risk Management Administration Division is a part of the Finance Department, while the Health Services Division is administered by the Human Resources Department.

**Fleet Management Fund:** This fund accounts for the provision of automotive maintenance and repair services for the City's fleet of vehicles. The fund also provides fuel to outside agencies including Asheville City Schools, the ABC Board, and the Metropolitan Sewerage District Board. The fund is managed by the Public Works Department.